



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Jim Pledger, Treasurer
The Democratic Party of Arkansas
Federal Account
1300 West Capitol
Little Rock, AR 72201

DEC 18 1996

Identification Number: C00024372

Reference: Amended April Quarterly Report (1/1/96-3/31/96) dated 8/9/96

Dear Mr. Pledger:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-On Schedule A supporting Line 11(a)(i) of the Detailed Summary Page, your report disclosed contributions from Unitemized Cash totaling \$8,970.15. Please be advised, that a contribution(s) of currency from any one source is limited to \$100. A cash contribution in excess of that limit must be returned to the contributor. 11 CFR §110.4(c)(1) and (2). In addition, anonymous contributions are limited to \$50 and any amount in excess of \$50 may not be used for federal election purposes. (11 CFR §110.4(c)(3))

If the contribution(s) in question was incompletely or incorrectly disclosed, you should amend your report with clarifying information. If you have received funds in an impermissible manner or from an impermissible source, your committee must transfer-out the impermissible funds to an account not used to influence federal elections or refund the full amount to the donor(s), if known, in accordance with 11 CFR §103.3(b).

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

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Although the Commission may take further legal action concerning the acceptance of funds in an impermissible manner or from an impermissible source, prompt action by your committee to transfer-out or refund the amount(s) will be taken into consideration.

-Please provide a Schedule B to support the entry reported on Line 26 of the Detailed Summary Page. All loans repaid by your committee must be itemized on Schedule B regardless of the amount. 2 U.S.C. §434(b)(6)(B)(ii)

-Your report discloses an apparent loan repayment on Line 26 of the Detailed Summary Page, however, no loan has been reported being received on this report, nor on any of your previous reports. Loans and loan repayments must be reflected on Schedules A, B, C-1 and C, as appropriate. Please explain why your committee would make a loan repayment when no loan appears to exist.

-Please clarify all expenditures made for advertising, newspaper, and fundraiser on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedule B or F supporting Line 23 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §104.3(b)

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the purpose/event for several joint expenditures to various vendors. Note that the unique identifying code for an event is not considered an adequate description of purpose. Please amend your report to include this missing information.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 of your report to clarify the following description(s): w/h, ph-79, post-110, misc. expenses, misc (Chk#5059), (Chk#5201), and merchandise. For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule H4 of your report discloses a disbursement(s) to non-federal candidates/committees and organizations. Please be advised that contributions to federal and non-federal committees do not qualify as shared expenses to be allocated between your federal and non-federal accounts. Contributions to federal committees should be disclosed on a Schedule B

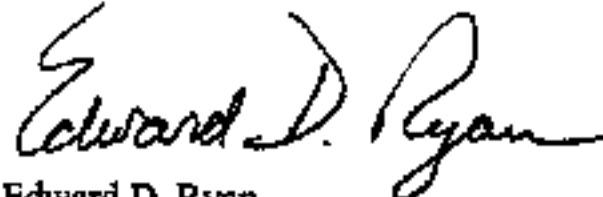
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supporting Line 23 of the Detailed Summary Page and contributions to non-federal committees on a separate Schedule B supporting Line 29. Any reimbursement from your committee's non-federal account for any portion of this contribution(s) is not permissible. 11 CFR §102.5(a)(1)(i)

The Commission recommends that you immediately transfer the funds received by your federal account, as reimbursement for the non-federal portion, back to your non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530. My local number is (202) 219-3580.

Sincerely,

A handwritten signature in black ink that reads "Edward D. Ryan". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Edward D. Ryan
Reports Analyst
Reports Analysis Division

